

RATIONALE AND PROTOCOL FOR SOUTH CAROLINA SITING ASSESSMENT: ESTABLISHING THE “NEED” FOR POWER

**Supplement to “Analysis Related to Merchant Plant Siting in
South Carolina”**

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I. INTRODUCTION

As part of the ongoing changes taking place in the power industry, South Carolina (“the State”) faces the question of how to apply the criteria in the existing Siting Act (“the Act”) with regard to applications for new generating plants. Under the Act, the Public Service Commission (PSC) will not grant a certificate for the construction, operation and maintenance unless it determines the following: (a) The basis of the need for the facility (b) The environmental impact of the project (c) that the facility will serve the interests of system economy and reliability (d) assurance that the facility will conform to the relevant State and local laws (e) Public convenience and necessity require the construction of the facility.

Although these criteria are listed within the Act, in many cases, there is no clear standard on how to determine the applicant’s compliance with these criteria. Until recently, this issue was not salient. However, several developments have made this issue more pressing, including: (1) the large number of merchant power plants, (2) federal deregulation which has encouraged the merchant power plant industry, and (3) related developments, including stress on transmission and other limited resources. The purpose of this Protocol is to describe the principles and recommend the methodology for the PSC to use in evaluating future applications for generation additions, with a focus on the “need” and “reliability” criteria.

There are three primary factors that ICF believes the State should consider in its approach to evaluating generation projects.

- **Evaluating Need** – One of the primary criteria for consideration in the Act is to determine the “need” for the proposed facility. However, standard guidelines are not in place to judge this criteria. What factors should govern the overall process of need determination? Should these include reliability and economic affects? Should the LSE be prepared to sign a contract to purchase power from the proposed plant, contingent upon PSC approval?
- **State versus Regional Factors and Resource Availability** – Should the State consider actions or opportunities in other jurisdictions in the need determination process, or focus primarily on State-specific requirements? Whether State-specific or regional, how should the availability of key infrastructure resources be assessed?
- **Market versus Central Planning** – To what extent should the State rely on market forces rather than a State-run planning process to ensure that resources are adequate? Rather than either end of the spectrum, is there a middle ground?

ICF addresses each of these factors below, and in this context, provides specific recommendations on how the State should conduct the need determination process. We further identify a process that the State should use to evaluate projects and provide a list of the information that the incumbent utilities (load-serving entities or LSEs and power plant developers (whether utility or independent) should be expected to provide.

It is important to recognize that ICF's recommendations do not imply that the State and the PSC are not already utilizing some of these approaches. Rather, we present in this protocol a framework for PSC plant review and approval, which may well include some steps that the PSC and utilities already employ.

When weighing the recommended protocol, the PSC may need to consider legal issues beyond the scope of ICF's analysis. These issues may include the scope of the Commission's authority vis-a-vis LSE entities to provide information in support of the applications of plant developers.

Note, we do not directly address environmental impact criteria in this protocol, as South Carolina already has in place a thorough evaluation procedure that meets this criteria of the Act. As such, ICF suggests no additional protocols for environmental evaluation except those that bear on the extent to which limited resources are being exhausted by proposed projects.

II. CRITERIA OF NEED

Market realities today are clearly different than when the Act was passed. Today, there are many questions regarding the development and role of regional entities (RTOs/ISOs); there are independent power producers in addition to utilities seeking to develop, finance, build and own power plants; and there are serious questions about how to take advantage of a competitive wholesale market while not putting customers and utilities unduly at risk (as happened in California). At the same time, there are more offers to build power plants in the State, some to serve customers outside of South Carolina. In this context, the State needs a means of distinguishing one offer from another and for deciding to which plants to grant a certificate, as required under the Act for all facilities over 75 MW.

In addition, when one address the question of the "need" for power, it begs the question of "according to what standard?". In this context, there are two primary standards that regulators generally employ, which are:

- a) Providing for a reliable, stable source of power; and
- b) Providing customers with the opportunity to utilize low-cost power.

Along these lines, ICF has four observations and several recommendations.

First, to determine what capacity is *needed*, ICF believes (as is the case in a number of states) that the PSC's primary responsibility is to ensure reliability. Unreliable supplies of power clearly hamper economic activity and discourage economic growth. At a minimum, ICF believes that the PSC (as it has done in the past) should ensure that its definition of "need" includes all facilities required to satisfy customer requirements for both energy and capacity. This in turn requires an assessment of the likely demand for power and the available supply. Central to this point is the question of who should carry out such an assessment.

Section V below describes the three-step process that ICF recommends that the PSC employ to ensure that the plants it approves will satisfy the reliability standard. In brief, ICF believes that a standard assessment of demand and supply requirements be considered in all applications. The LSEs should be responsible for developing such forecasts for PSC review as part of the need assessment process. The LSEs are in the best position to develop these forecasts, given their knowledge of customer needs, the condition of existing plants, and the generation offers received. This assessment should also take into account the availability of scarce resources, such as transmission, fuel supply and water.

Second, within the context of a reliable supply, the PSC should approve those facilities that will do so at the lowest reasonable cost . To do so clearly requires that there be some process to establish whether an incremental plant will satisfy the “low-cost” criteria. We note that it may not always be appropriate to choose the “least-cost” mix, since there are other factors that may enter into the assessment of whether a plant should be certified (see next point). This evaluation process should judge all potential supplies (e.g., from utilities located in the State, from in-state or out-of-state IPPs, from utilities outside the State) with the same criteria. Clearly, “cost” must include an evaluation of transmission as well as wholesale power supply. In other words, ICF believes that the PSC should take a customer-focused perspective in deciding what criteria to use and what process to employ to select “needed” facilities.

Third, in considering offers to build power plants, the LSE needs to be confident that their generation will be available as planned, and therefore willing to sign a power purchase agreement with the provider. To determine whether it should do so, the LSE requires a manner to distinguish between those that are likely to come to fruition and those that are not for reasons other than technical plant merit. Otherwise, the State could certify plants that do not come on-line, leaving the State short of supplies at critical times. Some parties are more credit-worthy, more experienced and have projects that are further along in the development process than others. Some measures of “reality” should be part of the certification process. Below, we suggest the measures that the PSC may wish to employ.

Finally, to qualify for PSC approval, power plants must satisfy environmental criteria. ICF considers the State’s overall current review process sufficient to ensure that the environment is protected during power plant development and operation. As mentioned above, ICF does not believe that additional measures are required in South Carolina to satisfy this standard of performance under the Act. However, the extent to which resources are exhausted by power plant additions may be a relevant concern.

Recommendations. In sum, ICF believes that the State should:

- As part of ensuring reliability, establish a standard process for determining the balance between supply and demand for power when review applications for power plant certification
- Be prepared to approve contingent contracts between the LSE and the power provider, and the LSE must be willing to sign such contracts

- Include in this process a means to determine which projects are “real”, so customers are not left short of power or subject to short-term, volatile prices
- Require the generator developers to provide sufficient information, subject to the limit associated with LSEs having such information
- Make the LSEs responsible for developing supply and demand forecasts and for maintaining the proper balance between them
- Make the LSEs responsible for showing the PSC how the proposed plant additions will provide customers with a low-cost supply of power compared to the alternatives
- Require LSEs to address issues related to resource stress and adequacy
- Have the PSC be responsible for approving the criteria and economic assumptions used in the LSEs’ analyses
- Ensure that all potential supplies of power receive equal treatment in the evaluation process

III. STATE AND REGIONAL FACTORS AND RESOURCE AVAILABILITY

Another key element of the certification process for new plants deals with geography and resources. At a minimum, the PSC is responsible for reviewing plants from the perspective of what is needed within the State’s borders. The key question is: should the PSC consider any wider region in the certification process?

Clearly, the State’s first responsibility is to ensure the reliability of power to consumers in South Carolina. The reliability of power, the cost of power and the availability of adequate resources for a new power plant should be assured as part of the plant certification process, as described below. Whether the state has sufficient transmission capacity; sufficient deliverability of fuel, and sufficient water resources are key factors affecting the development of present and future plants and the reliability of power, and should be considered as part of the certification process.

As an example, the PSC should address the transmission situation in deciding whether to approve a plant. New generation cannot be considered without the accompanying transmission facilities. This includes not only the “driveway”, or the facilities required to directly interconnect the plant to the grid, but also the impacts on the “highway”, which is the interconnected grid for the State as a whole. Larger generation projects may require upgrades to the transmission network to accommodate their output and to not worsen congestion. Moreover, the question of “who pays” for such transmission upgrades is paramount. In Section V, we propose a process for determining how to integrate the cost of transmission into the plant certification process.

In addition, it is noteworthy that the State is not an electrical or economic island. While not strongly interconnected, it is part of the VACAR region of SERC, and its major investor-owned utilities had previously decided to be part of the GridSouth RTO, though that RTO appears to be on hold at present. Regardless of what the State decides, its electric power system will be influenced by larger utilities and RTOs to its West and South (SeTrans) and its North (PJM / PJM South), which are or will be setting up common energy markets, congestion management approaches, de-pancaking

procedures and market monitoring. While the PSC's primary focus must be the customers within the State, it appears likely that those customers may be better served if the PSC considers both the reliability and cost of power supplies in a regional context.¹

Other regions have shown that there can be a benefit from carrying out a number of utility functions (e.g., dispatching plants, transmission planning) on a joint basis. While small regions can be low cost as well, larger regions tend to provide more of a critical mass, require fewer reserves, and in general provide greater security and lower costs than smaller ones. Given its size (approximately 17 GW), the State may benefit from such a regional perspective.

Finally, several utilities in the State have service territories in adjoining states. Duke Energy is located in both South and North Carolina, as is Carolina Power and Light. The gas pipeline infrastructure across these states is widely shared, and the electric utilities commonly design and integrate the use of their power generation and transmission system.

For these reasons, ICF believes that the certification process should include an evaluation of regional (North and South Carolina) resources as a primary source of concern.

Recommendations. ICF recommends that the State should:

- Include the supply and demand situation in the service territories of the utilities under PSC jurisdiction in both South and North Carolina in its assessment of whether a plant is needed
- Integrate resource availability, including transmission planning and costs, fuel and water availability with the generator certification process
- Continue to participate in and monitor the situation with regard to WPMP and RTO development, particularly in the surrounding areas, to determine impacts on the State.
- Support the transmission planning process that would emerge from the GridSouth RTO, should it re-emerge as a viable entity

¹ The RTO situation is in significant flux - several have been approved, while others are under development. A number of states and utilities have expressed reservations about the need for and requirements of RTOs and Standard Market Design (SMD) including South Carolina. On April 15, 2003, the FERC issued a "White Paper" designed to give the states more flexibility in carrying out resource planning with regard to the mix of generation, transmission and load response. In its prior SMD proposal, FERC had proposed that the RTOs would take the lead on resource planning, and could require the construction of new facilities (subject to state siting). FERC indicated that a final ruling on its "Wholesale Power Market Platform" (WPMP) would be forthcoming, and it will be important for the State to participate in and monitor the results of that process. The bottom line is that it appears that FERC recognizes the sovereignty of the states to a much greater extent than in the SMD, and it bodes reasonably well for the PSC and utilities in the State being able to proceed with resource planning in an unencumbered manner.

IV. MARKET VERSUS CENTRAL PLANNING

There are several options for determining which power plants should be built. Broadly, these choices are: 1) Integrated resource planning; 2) Free market; and 3) A middle course. ICF recommends the latter for South Carolina, and we briefly describe these options below.

Integrated Resource Planning (IRP). At one end of the spectrum is IRP, in which a state undertakes to evaluate the long-term supply and demand for power required by a utility under its jurisdiction in a full-blown set of hearings, testimony and regulatory rulings. This “state as decision maker” process has the benefit of allowing all parties to participate and for them to share information that they believe relevant to the regulator’s decision.

Such a proceeding can identify the amount, the type and the timing of capacity that the utility will need in the future. However, it is often cumbersome, resource-intensive, costly and time-consuming (they can take 1-2 years to complete the process). It also runs the risk that by the time the amount of need is identified through the IRP process, the economy may have shifted, and the need and timing for new capacity could well be different.

Once the IRP document has been approved, there are several paths to pursue to determine what entities will satisfy that identified need. The most popular approach is for the utilities to solicit for such supplies, accept offers, and then conduct some type of evaluation process to decide which one is “best”. These solicitations can be formal, with RFP documents, evaluation teams, pre-bid meetings, common dates for all bidders, and detailed evaluation procedures. The evaluation factors can be both quantitative (e.g., price) and qualitative (e.g., the bidder’s experience). Once the process is complete, the utility usually must gain approval for the winner(s) from the regulator.

Free Market. At the other end of the spectrum is the choice that states can make to allow competitive forces in the market to bring forth offers to buy and sell power, without trying to manage or control the market. In this approach, the LSEs simply buy on an ongoing basis from the suppliers that they believe are “best”. This model can work well where there is a high degree of assurance of an excess of power suppliers, such that they will compete for the buyer’s business. It also works best in markets where there is not a single buyer, a monopsony. Finally, it works well in short-term markets, or markets where suppliers are willing to build plants on the hope that they will be able to sell the output once constructed, without pre-financing the plant’s construction.

In today’s power business, this model has a number of flaws:

- It would be quite risky for LSEs to rely on the market when some suppliers are shaky with regard to their finances.
- There is a public interest in ensuring that there are sufficient supplies of power that is different than whether there are sufficient supplies of say,

oranges or paper clips. The economic consequences of unreliable power supplies are quite high.

- The market for power plants is lumpy. It takes 18 months to several years to build a plant, not including the time required to present offers, negotiate contracts, obtain permits, procure financing, etc. Overall the cycle is about 4 years. Plants cannot be financed on a project basis without some commitment to purchase their output. For long-term investments, a greater commitment is required that is incompatible with the completely free market process.
- Power plant projects could be devoted to export sales and disproportionately benefit out-of-state or out-of-region customers. This could occur at the expense of depleting state resources.
- There are concerns that unless there is some regulatory oversight, the utility might favor generation solutions that are less than optimal from the broader perspective of state balancing of multiple considerations.

The Middle Ground – ICF Recommendation. ICF recommends that the State adopt a three-step process, described in Section V, to determine whether a plant is needed and whether it should receive certification:

- 1) PSC development of the criteria for determining “need”, including:
 - a. Supply/demand balance and reliability of power supply
 - b. Contingent power purchase agreement
 - c. Plant evaluation
 - d. Resource scarcity
- 2) Generator filing for certification, and LSE response with regard to whether the proposed plant will satisfy the State’s criteria
- 3) PSC review of a project’s compliance with the criteria and if appropriate, approval of the LSE’s selection within an agreed-upon review schedule

This process involves elements of planning and elements of the market, while avoiding the pitfalls of a drawn-out IRP proceeding and a free market approach. It places supply responsibility and risk on the LSE to develop a means to evaluate options and satisfy the PSC’s criteria. This approach will provide necessary information and elicit offers of supply from all those qualified to satisfy the need for power. It allows full public participation up front, in developing the criteria for evaluation, and is streamlined in the evaluation process. It is also designed to integrate with the addition and upgrade of transmission lines, as described below.

V. RECOMMENDED PROCESS FOR NEED DETERMINATION

STEP 1. Setting State Certification Criteria. Within an agree-upon time frame (e.g., six months), the PSC would determine and publish its criteria for determining whether a plant is needed and will receive certification. The PSC would solicit stakeholders’ input on these criteria before adopting them. ICF recommends that these criteria include five elements, several of which would be “first tier” criteria, while others would be second or third tier. First and second tier would have extra weight compared to a third tier

concern. The PSC would not reject plants that do not meet the first-tier or second tier criteria, but would decide on a case-by-case basis balancing costs and benefits.

First Tier Criteria

- **Regional Supply – Demand Balance and Reliability of Power Supply.** As part of the project application, the PSC should require that the LSE demonstrate a longer-term (e.g., 5-10 year) need for capacity and energy. In this context, the LSE would need to show that the proposed plant enhances system reliability. The PSC could set the reliability standard by adopting a quantitative measure such as an expected outage rate (for wholesale supplies) of 1 day in 10 years. Many states or regional entities use proxy measures designed to assure reliability, such as supply reserve margins or the ability to meet demand in case of the largest contingencies.

If the LSE projects a future gap in supply and reliability that the proposed plant would fill, and the PSC agrees, the plant would meet this criteria. If the criteria are agreed upon in advance, no cumbersome process is required to carry out this assessment. Further, the LSEs could be required to update their consideration of options on a regular basis, such as once a year, but at a minimum there should be an updated assessment available in the context of a particular application. Again, the intention would not be to undertake a full-blown IRP proceeding, but rather to allow the LSE to fine-tune its consideration of resource options in light of changing conditions. The generator could also submit their own assessment of the need for power for the PSC's consideration. This could be particularly relevant if there is a disagreement about the LSE's need.

In addition to considering supply and demand (and reliability) within its borders, the State could consider the broader basis of South Carolina and North Carolina combined. As mentioned, this would correspond more closely to the manner in which several of the largest utilities (Duke and CP&L) evaluate their system, and would promote the synergies that may be achieved by considering resources on a wider geographic basis.

To implement across both states may necessitate coordination with the North Carolina Commission, which the PSC could initiate during the same time period in which it is developing the evaluation criteria. However, the South Carolina PSC can implement the evaluation process on its own - success of this process is not contingent on North Carolina cooperation.

- **Contingent Power Purchase Contract.** The certification will be evaluated more favorably, all else equal, to the extent the LSE and the power provider have negotiated and are prepared to sign a power purchase agreement, contingent upon PSC approval. The generator applicant should submit this contingent contract with its request for certification. Within or between utilities, such contracts are important so that it is clear what capacity is "spoken for" and to support the inclusion of such facilities in rate base. For IPPs, such a contract is

a critical element required to support the plant's financing. The LSE should develop a model contract in advance to minimize time required for negotiations.

Special emphasis will be placed on the extent the LSE is located in South Carolina and/or in North Carolina. It is not intended that LSE contingent contracts or LSE indication of need for a particular facility are a *sin qua non* for approval. Rather, extra weight will be given during the review process for meeting these first tier criteria.

- **Plant Evaluation.** As part of the application to certify the plant, and sign a contract, the generator and LSE should demonstrate that the capacity and energy output of the plant will be available in the time frame required. This would involve factors such as:
 - Whether the supplier is a credit-worthy entity
 - Whether the project will have sufficient fuel supply, transmission capacity, water supply, etc., meet environmental requirements and have a secure site
 - Whether the project will have negative impacts on other facilities
 - Willingness to sign a power purchase agreement for an agreed upon term

Further, as part of justifying that the selected plant is the optimum choice, ICF recommends that the PSC require the LSE to demonstrate that it considered other supply options, which may include new central station generation (utility and IPP); repowering; load management; and additional transmission to import supplies from other jurisdictions. As part of this criteria, the PSC could also consider fuel diversity, so that consumers do not become overly dependent on any one fuel source.

Note that the wording of this criteria would not necessarily require that the LSE consider all possible options or select the lowest cost one(s), but only that they strike a reasonable balance. Also, LSE findings are not required in order to prevent blocking all merchant plants by LSEs. Rather, such findings increase the likelihood that a project will be approved.

Second Tier Criteria

- **Resource Scarcity.** As discussed above, there are limited resources of power transmission, fuel and water in the State (and in the South Carolina/North Carolina region). As part of the Plant Evaluation above, the PSC would have determined that the specific plant has sufficient resources to accommodate its addition to the system. In addition, ICF recommends that the PSC establish an "availability baseline" in order to put each new plant in the context of the overall resource base. If the available resources are stressed or reduced substantially for future plants by the addition of the proposed plant, the PSC may wish to either consider other resource options or expand the resource base (e.g., by building new transmission or adding more gas storage). This evidence is expected to be provided primarily by South and North Carolina LSEs as indicated

below, but other sources of data will be considered, including from the generator developer.

Third Tier Criteria

- **Broader Regional Supply and Demand.** Consideration will also be given to Carolinas supply and demand conditions outside the Carolinas. Exports can decrease costs for supplying local customers. Also, resources permitting, exports can create jobs and generate tax revenues within the State.

ICF recommends that the PSC consider and adopt these criteria up front, before considering any plants for certification. They could certainly be modified or fine-tuned as experience warrants. Further, the PSC would not initially require any specific documents for the LSE to file to determine whether the proposed plant meets the criteria, but would be flexible and encourage the LSE to determine the best ways to demonstrate its compliance.

Finally, if there is more than one viable option satisfying these criteria, but only room for fewer projects, the PSC may wish to establish “tie-breakers”. These could include such factors as: differentially high in-state job creation and tax revenues to the State. ICF recommends that these criteria not be a part of the primary evaluation process, but be tie breakers.

STEP 2. LSE and Generator Compliance with Criteria. After the PSC has determined the criteria above, the LSE and generator would be responsible for providing information necessary for reviewing a permit. See Appendix I for a list of the data that the generator and LSE would be required to provide. In general, the generator would make an application for siting under the Act, and the PSC would request the LSE’s response, in which the LSE would indicate its assessment of the plant’s compliance with the criteria which it is in a position to evaluate (e.g., the need for capacity, the availability of scarce resources). For example, the LSE would be required to:

- Adopt a process designed to regularly assess the need for new capacity
- Develop a methodology for evaluating whether a project will contribute to the reliability of supply. To the extent the PSC relies on evidence presented, it should have the ability to require additional time or evidence if data requests are not adequately prepared.
- Prepare standard terms to serve as a default for power purchase contracts to streamline the negotiations process
- Compare multiple options and assess the likelihood of plant availability
- Present recommendations for certification to the PSC as often as required to respond to generator applications and meet the PSC’s criteria
- Sign contracts with those entities that the PSC approves

The generators would also have a significant amount of data to provide, and would agree to sign a contract contingent upon PSC approval, as described in Appendix I.

STEP 3. PSC Consideration of Filed Projects. Once the LSE and the developers have filed their project certification requests and/or supporting documents, the PSC would consider whether projects filed for certification meet the criteria previously established.

To ensure that the process does not get out of sync with the market, the PSC would set an aggressive time frame within which it would consider the LSE's application. There would be a public hearings within 60-90 days of filing, as currently required. As part of that process, the PSC could ask the LSE, generator or other State agency (e.g., Department of Health and Environment) for clarification of any points on which it desires additional information. At the same time, the process would be streamlined. Delay would only occur under special circumstances such as failure to have adequate data.

This approach is designed to keep the process "clean", and not get bogged down in procedural and administrative matters. There would be little public participation with regard to each project, but the PSC overcomes this possible drawback by having solicited input from interested parties on the evaluation criteria in Step 1. Many stakeholders could recommend and influence the criteria that the PSC establishes to determine whether a plant is needed, but once established, it would be up to the PSC to determine how to apply them.

Appendix 1
PSC Information Needs in the Plant Certification Process

Information from the LSE

1. Standard terms of contingent power purchase contract, subject to PSC approval
2. Need for new resources
 - Long-term annual peak demand and energy forecasts (updated annually), including expected demand-side management
 - South Carolina
 - South and North Carolina
 - Regional
 - Gaps (in MW by years) between supply and demand, taking into account:
 - Utility-owned generation
 - Planned life extension, retirements
 - Existing contracts for power purchases
 - Interruptible load
 - Recommended type of capacity required
3. Available resource base in the State (filed in advance of certification process)
 - Water resources
 - Transmission resources (including plans for upgrades and new lines)
 - Fuel resources
 - Impact of the proposed project on these resources; remaining availability for future projects
4. Comparison of resource options to fill gaps
 - Supply options considered
 - Utility-owned generation
 - IPPs
 - Renewables
 - Additional demand-side management
 - Likelihood of plants coming on line
 - In-state versus out-of-state options
5. Justification for selection of proposed plant(s)
 - Improvement of reliability in the State
 - Reasonable impact on State resources – water, transmission, gas
 - Likelihood of plant coming on line (permits, financing, etc.)
 - Cost comparison with other options
 - Can be accommodated on the State grid

Information from the Generator(s)

1. Project-specific information

- Power sale agreement status
 - Completed standard PPA with LSE, or modifications required
 - Contracts with other parties for power sales, if any
- Transmission interconnection – “driveway” and “highway”
 - Interconnection agreement – if signed
 - FTR status
 - Alleviation or exacerbation of constraints (load flow studies)
 - Within South Carolina
 - Within SERC
 - Deliverability to load
 - Description of new facilities required to handle constraints
- Need for and impact on local water resources
- Fuel procurement status
 - Quantities of fuel required
 - Pipeline deliverability status
 - Projections of fuel availability for the project
 - Incremental investments (e.g., storage, compression)
 - Contract status with fuel suppliers
 - Risks of deliverability/availability of alternate fuels as backup
- Other plant development factors
 - Satisfaction of noise, waste, effluent, and air pollution requirements
 - Site status – secure, right of first refusal, lease
 - Guaranteed plant availability – peak and off-peak times
 - Financing situation or intentions
 - O&M plans – contract status
 - Local employment and tax impacts (state, fuel, property)
 - Developer’s assessment of why this option is superior to others

2. Company-specific information

- Previous experience with this type of project
- Corporate financial situation
 - Credit ratings
 - Audited financial statements
 - Analyst reports
- Other projects under development
 - Financial commitments elsewhere

Figure 1
Proposed Certification Process and Timeline

